

# Tax offices to offer refund service beyond April 17

Tax centers have saved local taxpayers nearly \$1 million this year

**By The Office of the Staff Judge Advocate**

*News Release*

GRAFENWOEHR, Germany — Americans living in Germany can file their tax returns until June 15 as long as they do not owe money to the IRS. Taxpayers who owe money or penalties, however, must file their return and pay any penalties by the upcoming April 17 deadline.

Soldiers serving in a combat zone, and their spouses, also have extra time to file and pay, including an extension of at least 180 days from when the Soldier returns from the combat zone. The eight Army tax centers in Bavaria can help taxpayers navigate through these tricky tax issues and receive maximum refunds. The tax centers offer these services for free. So far this year, local tax centers have prepared 7,341 federal and state tax returns, generating \$14.4 million in refunds and saving \$986,000 in tax preparation fees.

Living in Germany and working for the Army present unique tax questions. State tax returns can be particularly difficult because each state has its own rules, and some states have special rules or tax breaks for military or civilian domiciliaries living outside of their state.

New York, for example, does not tax military income when a Soldier does not maintain a place of abode in the state, spends no more than 30 days in New York during the tax year and resides in family housing or on the local economy. Soldiers from New York living in barracks outside of New York, however, can still be taxed unless they live 450 days out of a consecutive 548 day period in a foreign country.

Many states have similar exemptions. Arizona does not tax active duty military pay. Missouri and California, among other states, also do not tax the military income of Soldiers stationed outside of the state. However, Missouri taxes all the pay if the spouse remains in the state. Maryland residents in the military serving outside the United States may exclude up to \$15,000 of their pay, but only if the total pay is less than \$30,000.

Virginia excludes up to \$15,000 of basic military pay but phases out that benefit to zero when Soldiers make \$30,000 or more. Tax centers in Bavaria can assist with these state tax issues, particularly if a person and his or her spouse are from different states.

Army tax centers can file Individual Tax Identification Number (ITIN) applications for foreign spouses of U.S. Soldiers, allowing Soldiers to file a beneficial joint return with their foreign spouse. The experts at the tax centers can also help spouses and eligible civilians who have non-U.S.

government source income to exclude up to \$92,900 of their income under the Foreign Earned Income Exclusion or deduct any foreign taxes paid to Germany.

Likewise, tax centers assist family child care providers, spouses, retirees or other eligible civilians who must file a Schedule C for business or contracting income. This includes applying for a German Certificate of Coverage to prevent paying U.S. self-employment taxes. Retirees can also prevent paying taxes on their Social Security by filing a treaty-based return.

Finally, tax centers can help taxpayers with rental property income in the United States or Germany. Rental property requires special care, such as documenting improvements, repairs, insurance paid and depreciation.

As April 17 approaches, taxpayers can bring their tax returns to local tax center experts on post, and instead being stressed out by the deadline, focus on how they'll spend their return.